

HOUSE BILL No. 1056

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-8-8.

Synopsis: 1977 fund benefit enhancement. For a member of the 1977 police officers' and firefighters' pension and disability fund (1977 fund) who retires after June 30, 2007, increases from 1% to 1.25% the amount by which the retirement benefit increases for each six months of active service greater than 20 years and less than 32 years. Increases from 6% to 8.3% the percentage of the salary of a first class patrolman or firefighter contributed by or on behalf of a 1977 fund member or converted member to pay for the benefit increase.

Effective: July 1, 2007.

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January 8, 2007, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1056

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-8-8-8 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) **For contributions payable**
3 **to the PERF board before July 1, 2007**, each fund member shall
4 contribute during the period of ~~his~~ **the member's** employment or for
5 thirty-two (32) years, whichever is shorter, an amount equal to six
6 percent (6%) of the salary of a first class patrolman or firefighter. **For**
7 **contributions payable to the PERF board after June 30, 2007**, each
8 **fund member shall contribute during the period of the member's**
9 **employment or for thirty-two (32) years, whichever is shorter, an**
10 **amount equal to eight and three-tenths percent (8.3%) of the**
11 **salary of a first class patrolman or firefighter.** However, the
12 employer may pay all or a part of the contribution for the member. The
13 amount of the contribution, other than contributions paid on behalf of
14 a member, shall be deducted each pay period from each fund member's
15 salary by the disbursing officer of the employer. The employer shall
16 send to the PERF board each year on March 31, June 30, September
17 30, and December 31, for the calendar quarters ending on those dates,

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a certified list of fund members and a warrant issued by the employer for the total amount deducted for fund members' contributions.

(b) If a fund member ends ~~his~~ employment other than by death or disability before ~~he the member~~ completes twenty (20) years of active service, the PERF board shall return to ~~him the member~~ in a lump sum ~~his the member's~~ contributions plus interest as determined by the PERF board. If the ~~fund~~ member returns to service, ~~he the member~~ is entitled to credit for the years of service for which ~~his~~ contributions were refunded if ~~he the member~~ repays the amount refunded to ~~him~~ in either a lump sum or a series of payments determined by the PERF board.

SECTION 2. IC 36-8-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) This section applies to all police officers and firefighters who converted their benefits under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981).

(b) A police officer or firefighter who converted ~~his~~ benefits from a 1925, 1937, or 1953 fund to the benefits and conditions of this chapter is not entitled to receive any benefits from the original fund. However, ~~he the police officer or firefighter~~ is entitled to credit for all years of service for which ~~he the police officer or firefighter~~ would have received credit before ~~his the~~ conversion in that original fund.

(c) A police officer or firefighter who:

- (1) converted ~~his~~ benefits from a 1925, 1937, or 1953 fund;
- (2) retired or became disabled on or before June 30, 1998; and
- (3) is entitled to receive benefits provided under this chapter based on the eligibility requirements of this chapter;

shall be treated as a member of this fund for purposes of paying ~~his~~ benefits from the 1977 fund effective for benefits paid on or after October 1, 1998. Prior to October 1, 1998, ~~he the police officer or firefighter~~ remains a member of the original fund entitled to receive only the benefits provided under this chapter based on the eligibility requirements of this chapter.

(d) A police officer or firefighter who:

- (1) converted ~~his~~ benefits from a 1925, 1937, or 1953 fund;
- (2) ~~who~~ did not retire or become disabled on or before June 30, 1998; and
- (3) ~~who~~ is entitled to receive benefits provided under this chapter based on the eligibility requirements of this chapter;

remains a member of that original fund but is entitled to receive only the benefits provided under this chapter and based on the eligibility requirements of this chapter.

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(e) **For contributions payable before July 1, 2007**, a police officer or firefighter who converted shall contribute six percent (6%) of the salary of a first class patrolman or firefighter to the 1925, 1937, or 1953 fund. **For contributions payable after June 30, 2007, a police officer or firefighter who converted shall contribute eight and three-tenths percent (8.3%) of the salary of a first class patrolman or firefighter to the 1925, 1937, or 1953 fund.** This amount shall be deducted from ~~his~~ **the police officer's or firefighter's** salary each pay period by the disbursing officer of the employer. Contributions under this subsection may not be refunded.

SECTION 3. IC 36-8-8-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. (a) Benefits paid under this section are subject to section 2.5 of this chapter.

(b) Each fund member who qualifies for a retirement benefit payment under section 10(b) of this chapter is entitled to receive a monthly benefit equal to fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended ~~his~~ active service, plus:

(1) for a member who retires before January 1, 1986, two percent (2%) of that salary for each full year of active service; ~~or~~

(2) for a member who retires after December 31, 1985, **and before July 1, 2007**, one percent (1%) of that salary for each six (6) months of active service; **or**

(3) for a member who retires after June 30, 2007, one and twenty-five hundredths percent (1.25%) of that salary for each six (6) months of active service.

over twenty (20) years, to a maximum of twelve (12) years.

(c) Each fund member who qualifies for a retirement benefit payment under section 10(c) of this chapter is entitled to receive a monthly benefit equal to fifty percent (50%) of the monthly salary of a first class patrolman or firefighter in the year the member ended ~~his~~ active service, plus:

(1) for a member who retires before July 1, 2007, one percent (1%) of that salary; **or**

(2) for a member who retires after June 30, 2007, one and twenty-five hundredths percent (1.25%) of that salary;

for each six (6) months of active service over twenty (20) years, to a maximum of twelve (12) years, all actuarially reduced for each month (if any) of benefit payments prior to fifty-two (52) years of age, by a factor established by the fund's actuary from time to time.

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